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	REC'D 2/12	OTHER ARMY-35 NAVY-32 AIR-24 CIA-3 OSD-2 OCB-1

SUBJECT: Joint Weeks No. 5 from State, Army and Air Departments from G.

SUMMARY

In an eventful week, President Arbenz' government released a sensational statement accusing Colonel Carlos CASTILLO Armas and General Miguel ORTEGA Fuentes, the Guatemalan exiles in Honduras and El Salvador, of heading an international plot to overthrow the Guatemalan government with the help of President SOMOZA of Nicaragua and the "acquiescence" of the "Government of the North." The Department of State, in denying U.S. involvement, viewed its release a month before the Caracas Conference as a Communist effort to disrupt the work of the Conference and inter-American solidarity.

As soon as the statement was released, the Communist party and the organizations under its influence launched the most outspoken campaign to date to intimidate Opposition elements, and especially the independent press, accusing them of "treasonable" attempts to create a climate favorable to foreign intervention, and warning that the Penal Code could be applied against such activities. Virulent speeches by Communist deputies asserted that the United Fruit Company and the Department of State had financed the plot and a great "anti-intervention" demonstration was scheduled for February 5.

Adding fuel to these fires, Guillermo TORIELLO, the new Foreign Minister, on February 2 expelled Sydney GRUSON of the New York Times and Marshall BARTELL of Reuters and the NBC from the country on the grounds that they had "slandered" the Guatemalan Government.

The national labor federation, CGTG, held its Second Congress and reelected Victor Manuel GUTIERREZ as Secretary General along with the other Communist officers who have controlled it since the founding Congress in 1951.

President Arbenz said in an extemporaneous speech at a dinner given by the leftist PRG that his Administration would not retreat one step in its domestic or foreign policy.

INTERNATIONAL AFFAIRS

Government Charges International Plot to Overthrow Arbenz Administration: In an evident effort to divert the [illegible]

REPORTER

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

from Communism in Guatemala by touching Latin America's sensitive spot about U.S. intervention, President Arbenz' Information Office on January 29 released a lengthy statement charging that the "Government of the North" had acquiesced in an international plot to overthrow the Guatemalan Government, headed by Colonel Castillo Armas and General Ydígoras Fuentes, with the active support of President Somoza of Nicaragua and his son, Colonel "Tachito" SOMOZA, and the cooperation of the Dominican, Venezuelan, and Salvadoran Governments.

As the government sketched it, the plan was labeled "Operation El Diablo," and was for Castillo Armas as "Supreme Military Chief" to buy arms and planes with the financial backing of Somoza and "others" for a force of Guatemalan exiles and mercenary soldiers to be trained in Nicaragua by a "Colonel" John Carl STUDER, retired from the U.S. Army to be put at the disposition of the United Fruit Company; for this force to stage a sea-borne invasion of Guatemala's Pacific Coast from Nicaragua; for an internal rising to take place in Guatemala simultaneously; and for Castillo Armas to become provisional head of government, leaving Ydígoras Fuentes free to run for President. The Information Office's statement explained last week's arrests (Weeks 4) as being in connection with this plot. In support of these allegations the government exhibited a stack of photostats purporting to be of correspondence and agreements between Castillo Armas and Ydígoras Fuentes, between Castillo Armas and the Somozas, and between other figures stated to be involved. However, their authenticity was brought into question when President Somoza pointed out that his son was not in Nicaragua when he was supposed to be writing to Castillo Armas from there; when the Nicaraguan Ambassador showed the Foreign Minister authentic Somoza signatures which did not correspond to those on the photostats, and when the Time correspondent reported that there had been no training camp on Somoza's farm two weeks ago, as alleged.

The statement did not cite the United States by name, but it was evident that it sought to convey the impression that the U.S. stood behind the plot. The statement itself merely quoted, as evidence that the "Government of the North" had "acquiesced" in the plot, a purported letter from Castillo Armas to President Somoza saying that he had a report from friends in Tegucigalpa that the "Government of the North," finding no other solution to the Guatemalan problem, had decided to allow them to develop their plans. However, the government-owned Diario de Centro América, as well as the rest of the pro-Administration press, front-paged photostats of Mr. Studer's U.S. passport while Communist and Communist-oriented organizations and politicians openly alluded to "Yankee imperialist intervention."

Shortly after the release, the Department of State issued a press statement saying that it was "ridiculous and untrue" that the U.S. Government had acquiesced in a plot against Guatemala, that it was the policy of the U.S. not to interfere in the internal

affairs of other nations; and that the United States viewed the issuance of this false accusation immediately prior to the Caracas Conference as a Communist effort to disrupt the work of that Conference and inter-American solidarity. Denials were also made by President Somoza and his son as well as Ydígoras Fuentes and Castillo Armas and the Venezuelan Government. The Nicaraguan Ambassador to Guatemala, Aurelio MONTENEGRO, stated after he had conveyed President Somoza's denials to the Guatemalan Foreign Minister, that they had been accepted, and that "cordial" relations persisted.

DOMESTIC AFFAIRS

Domestic Repercussions of "International Plot": The Government's charges of a foreign-backed plot exploded into the biggest issue of recent times in domestic politics with the Communists leading the Administration's supporters in strident denunciations of U.S. "intervention" and unbridled accusations that the Opposition, and especially the independent press, were "traitors" for trying to create a climate favorable to the plotters. Sidling away from the fury of this attack, the independent press quickly disclaimed any desire for "foreign intervention."

The Communist-led attack began on the day of the government's release, January 29, with a manifesto from the Central Committee of the Communist Partido Guatemalteco del Trabajo (PGT) labeling the plot "a special form of intervention in our internal affairs by North American imperialism." On the following day the Communist-controlled national labor federation, CGTG, meeting in its Second Congress in the national sports stadium approved a telegram offering Guatemala's workers to President Arbenz amid shouts of "Death to Intervention." The Communist-front women's organization, AFG, and the Communist-led teachers' union, STEG, followed suit with anti-interventionist protests. On February 1 the attack spilled over into Congress which declared Castillo Armas and Ydígoras Fuentes traitors after five hours of vitriolic speech-making in which all four Communist deputies took a leading role and accused the United Fruit Company and Department of State of financing the plot, asserted that Assistant Secretary Cabot, Ambassador Peurifoy and others had twisted the truth about Guatemala, claimed that this Embassy directed the UNTL anti-Communist labor organization, and reiterated the charge of treason against the independent press. To carry matters forward on this pitch, the CGTG, the AFG, the AJDG, the FUP and other Communist-controlled organizations, scheduled a mass demonstration for Friday, February 5.

Meanwhile, the Opposition was doing its best to disassociate itself from appearing to favor foreign intervention. In its first editorial after the government statement, Prensa Libre said that Guatemalan exiles had sought and obtained the aid of Nicaragua, "a fact which we as Guatemalans must condemn." This line with slight variations was adopted by the other independent newspapers

and even the Catholic weekly, Acción Social Cristina, reflected this mood in a January 21 editorial which, although not addressed to the "plot," said that Catholics rejected both the concept of foreign intervention and the concept of a choice between the Soviet Union and the U.S. because although Communism was to be opposed unequivocably, "the U.S. does not represent Christian civilization because the U.S. is materialistic."

President Arbenz States His Administration Will Not Retreat: Speaking simultaneously as guest of honor at a dinner given on February 2 by the Partido de la Revolución Guatemalteca (PRG), President Arbenz called for unity of the forces supporting his administration and said that his government would not retreat one step in its domestic or foreign policy. As paraphrased by the PRG's Diario del Pueblo (no text has been published), the President premised this assurance by saying that Guatemala was attacked by North American monopolies, by newspapers not only in the U.S. but also in Latin America and elsewhere, by U.S. Senators, and by officials of the Department of State, but that it was absolutely certain that Guatemala would win.

Fate of Persons Arrested: In the noise about the government's "international plot" statement, the fate of the persons arrested in connection with it last week was all but forgotten, but the fact was that the government had expelled about half of them across the frontiers, a development which strongly suggested that the case against them was less than air-tight. Guillermo D.VILLA Córdova, identified by the government as Ydígoras Fuentes' personal representative, was put across the Mexican border along with Ruben VILLAGRAN, President of the Unión de Trabajadores Libres, Horacio de CORDOVA, Director of the Una Hora Anticomunista radio program, and two minor figures. All of them said they had been mistreated by the police. Roberto VILLAGRAN Rubio, Director of Radio Continental, who was accused along with de Córdova of offering $2,000 to obtain a plan of Guatemalan Government radio facilities for Castillo Armas, was put across the Honduran frontier. Miguel CARMONA, stated by the government to be Castillo Armas' personal representative, had already gone to El Salvador after taking refuge in the Salvadoran Embassy.

The principal figures remaining in jail are Major Enrique Trinidad CUEVA and Colonel Saturnino BARRERA, both retired. Interestingly enough, the government statement made no mention of them.

PSYCHOLOGICAL

Correspondents of U.S. Press Expelled: In a further effort to stifle criticism of the Guatemalan Government, Foreign Minister Guillermo Toriello on February 2 expelled from the country Sydney Gruson, visiting correspondent of the New York Times and Marshall Bannell, U.S. citizen correspondent of Reuters and the National Broadcasting Company, claiming that they had systematically defamed

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and slandered" Guatemala and its Government. The President of the Inter-American Press Association, Miguel LANZ Duret, promptly protested this to Foreign Minister Toriello as an attack on freedom of the press, but the protest was rejected. The incident drew an editorial from the New York Times, and a speech in the U.S. Congress from Representative Frances BOLTON, as well as a strong statement by Senator Alexander WILEY, Chairman of the Foreign Relations Committee.

The expulsion of Gruson and Bannell took place concurrently with a sharp attack by the government forces on the local independent press and radio, which are the focal point of anti-Communism in Guatemala. Last week the police arrested and expelled Vicente and de Córdova of Radio Continental, implicating them in the alleged plot. This was followed by a warning this week in the government's statement on the plot that certain newspapermen had written articles favoring intervention and that these were "still provided for in the Penal Code." Next the pro-government press devoted editorials to the theme that the independent newspapers had treasonably attempted to establish a climate favorable to intervention. Finally, in the February 1 session of Congress, Victor Manuel Gutiérrez, the Communist labor leader, launched a violent attack on the press, and José Alberto CARBOLL, Communist deputy, said that a "change in our attitude" towards the independent press would be necessary if it continued its 'libertinage.'" There was thus little doubt that the government and the Communists were actively seeking means to curb the free press.

Expulsion of Priest Stirs Controversy on Religious Issue: Toriello [illegible] also precipitated controversy on the touchy religious issue by expelling Father Sebastian (Robert BUSCHLKOTO), a U.S. citizen Franciscan priest who had previously been in trouble with the authorities for alleged anti-Communist activities. Actually Father Sebastian's residence permit, after the government extended it for three months, had finally expired on January 2 and the police had not picked him up to expel him until January 29; even then immigration authorities on a technicality had not allowed the police to put him across the Salvadoran border and he had been returned to Guatemala City for clarification of his status. However, Toriello's decision during this troubled week that he must go quickly brought insinuations that the government had taken to persecuting the Roman Catholic Church. Independent newspapers front-paged pictures of Father Sebastian leaving by air on February 3, and featured material attributing his expulsion to political motives. The Foreign Ministry then felt obliged to issue a statement declaring that the relations of Church and State remained friendly and that the Ministry was cooperating with the Papal Nuncio in regularizing the status of foreign priests here.

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LABOR

CGTG Congress Confirms Communist Hold on Guatemalan Labor: The Confederacion General de Trabajadores de Guatemala's Second National Congress was held here on January 28-31 and fully confirmed the Communists' hold on the national labor organization with the approval of the Arbenz Administration. The Congress re-elected Victor Manuel Gutiérrez as Secretary General, José Alberto Cardoza as First Vice Secretary General, Carlos Manuel PELLECER as Secretary for Conflicts and other avowed Communists to key executive committee jobs. Gutiérrez in an address full of praise for the Soviet Union promised that Guatemala's workers would defend the Arbenz Administration "arms in hand" while among the resolutions adopted was one calling for diplomatic and commercial relations with the Soviet Union and the "peoples Democracies." The CGTG ties with International Communism were represented by the presence of Guenter Sattler as delegate of the WFTU, and Antonio CARBONI of the CTAL. The delegates must also have been pleased by an acknowledgement by Leonardo CASTILLO Flores, Secretary General of the peasants' federation, CNCG, that the working class had the leading role in the revolution. That the Arbenz Administration endorsed the proceedings was made evident by the participation of Jaime DIAZ Rozzotto, Secretary General of the Presidency, by the use of the national sports stadium for the plenary meeting, by the sight of government jeeps with loudspeakers broadcasting propaganda through the city for the Congress, and by the great amount of favorable publicity poured out by government-owned and subsidized newspapers.

DIPLOMATIC

Non-Resident Czech Minister Presents Credentials: Vladimir PAVLICEK, Czechoslovak Minister to Guatemala, resident in Mexico, presented his credentials to President Arbenz on February 2, establishing the first diplomatic contact between Guatemala and the Soviet orbit in some years. The Minister is scheduled, however, to return to Mexico and there has yet been no suggestion that a resident mission is planned.

William L. Krieg
Chargé d'Affaires a.i.

cc: C.A. Missions & Routine

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